



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
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Enforcement order under sub-section 3 of section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 against M/s. M3M International (PVT.) Ltd

File No. 15-26/CPPS-44/Fin/PTA

Date of Issuance of Show Cause Notice: 17th July, 2006
Venue of Hearing: PTA HQs, Islamabad
Date of Hearing: 4th October, 2006

The Panel of Hearing Present :

| | |
|---------------------------------------|--------|
| Director General (Finance): | Head |
| Director (Litigation & Adjudication): | Member |
| Director (Wireline Licensing): | Member |

The Issue:

“Non payment of PTA dues and failure in submitting annual audited accounts”

EX-PARTE DECISION OF THE OFFICERS OF THE AUTHORITY

BRIEF FACTS:

M/s. M3M International (Pvt.) Limited (the “licensee”) is a private limited Company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Card Payphone services pursuant to the non-exclusive license No. DIR(C)/L/PTA/277/2000 dated 20th June, 2000 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone services in Pakistan on the terms & conditions contained in the license with the brand name of “BLUE BELL”.

2. The licensee has defaulted in payment of PTA dues for the years ended 2001 to 2005 as well as not provided its annual audited accounts for the said years. In this regard PTA made various requests to the licensee but licensee failed to comply the same. As the licensee has neither submitted its annual audited accounts nor deposited its Annual License Fee for the years 2001 to 2005 amounting to Rs. 1,112,500/-. Hence, PTA issued Show Cause Notice (the "Notice") dated 17th July, 2006 under section 23 of the Act whereby required the licensee to comply the same within seven days and also submit written reply to the Notice within thirty (30) days of the issuance of the Notice and explain as to why the license should not be suspended, terminated or any other enforcement order should not be passed under section 23 of the Act against the licensee. But the aforesaid Notice was received back undelivered. Again the said Show Cause Notice was sent on 30th August, 2006 at another address available in record, which also received back undelivered. As the Notices were sent at the addresses available in record but both the Notices received back undelivered. Therefore Hearing Notice dated 22nd September, 2006 was issued at the addresses of the company and to all Directors of the company whereby informed the licensee to attend the hearing dated 4th October, 2006. This time hearing notices were not received back undelivered; hence it is presumed that these notices have been served on the company and its Directors. However, neither the licensee nor any of its Directors attended today's hearing.

3. Therefore, the Panel has no option but to decide the matter ex-parte, on the basis of available record.

(a). The licensee was obliged under conditions 2.3 of the amended license pursuant to determination dated 25th July, 2002 and sub-regulation (2), (3), (4) and (5) of Regulation 7 of Card payphone Regulations, 2004 to pay annual license fee to the Authority within 120 days from the close of financial year which licensee failed to comply.

(b) The Authority has been making repeated requests to the licensee vide various letters including dated 10th July, 2001, 2nd August, 2001, 21st September, 2001, 21st May, 2002, 30th August, 2002, 11th January, 2003, 27th February, 2003, 26th May, 2003, 27th September, 2003, 18th March, 2004, 30th July, 2004, 20th June, 2004, 29th November, 2004, 20th January, 2005, 11th April, 2005, 23rd August, 2005, and 12th September, 2005 whereby required the licensee to make the payments, but the licensee never responded to these letters nor deposited PTA dues which constitute sheer disregard to the writ of the Authority. Even Regional Director Rawalpindi has also requested the licensee vide letter dated 26th March, 2004 to clear PTA dues but the licensee did not bother to respond positively. In addition, the requests of licensee dated 11th December, 2004 and 23rd April, 2005 regarding waiver of license fee for the year 2001 have not been accepted. PTA also arranged meeting on 13th February, 2006 vide PTA letter dated 24th January, 2006 but the

licensee did not turn up to attend the meeting. PTA has made its reasonable efforts to contact the licensee, but failed to contact.

(c). Foregoing factors led the panel to believe that the Licensee is not traceable who has either closed its operations or offices without informing the Authority. The Notices issued to Licensee have been received back undelivered, whereas hearing notices have been served on the Directors of the company but neither the licensee nor any of its Directors attended the hearing establishing an irresponsible attitude of the licensee towards the writ of the Authority.

4. ORDER

4.1. Keeping in view the above mentioned facts coupled with the available record, the Panel hereby decides to proceed *ex-parte* against the licensee by passing the following enforcement order:

- (a) License of M/s. M3M International (Pvt) Ltd is hereby suspended and PTCL is directed to terminate forthwith all telecom facilities extended to the licensee.
- (b). M/s. M3M International (Pvt) Ltd is directed to deposit payable dues Rs. 1,112,500/- and submit AAAs within three months, at which its license will be restored.
- (c). In case of failure of the licensee to deposit PTA dues as provided in Para 4.1 (b) above, license No. DIR(C)/L/PTA/277/2000 dated 20th June, 2000 of the company shall stand terminated and recovery proceedings under section 30 of the Act shall be initiated by the Authority against the company for recovery of dues as land revenue.

Director (Licensing)

Director (Litigation & Adjudication)

Director General (Finance)

5. This determination is passed on 4th October, 2006 and comprises 03 pages.